

# APPROPRIATIONS ALERT

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## DEFENSE APPROPRIATIONS/CONTINUING RESOLUTION CONFERENCE REPORT **PLACING GAMESMANSHIP OVER SECURITY** (H.R. 3222)

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The second appropriations conference report for fiscal year 2008 continues the Majority's pattern of manipulating the budget process for political leverage. It needlessly pairs the Defense Appropriations bill with a continuing resolution [CR] to hold national security funding hostage to the Democrats' domestic spending ambitions – this time reflected in largely illegitimate “emergency” designations. It also excludes the full-year funding requested by the President for troops in Iraq and Afghanistan; under the Democratic approach, these resources will be carried in a separate bill that finances combat troops on an installment plan, and with strings attached.

The Majority's delay in moving appropriations bills for the new fiscal year (which started on 1 October) sets up a confrontation with the President that likely will play out in December. The President has pledged to veto any appropriations measures that cause total discretionary spending to exceed his request of \$933 billion for fiscal year 2008. The Democrats have claimed their appropriations total “only” \$21 billion more than the President; but that one-year increase gets permanently built into government spending, and *grows to \$204 billion by 2012*.

The conference report also includes the year's second CR, this one running through 14 December 2007. (The current CR, H.J. Res. 52, expires next Friday.) The pattern of month-long stopgap spending bills is highly disruptive for Federal agencies, because they cannot plan annual spending, staffing, and operations.

Key points about the Defense Appropriations/CR conference report include the following:

- ***Joins Two Unrelated Bills to Gain Domestic Spending Leverage.*** Democratic appropriators needlessly tied together conference reports for Labor-HHS-Education and Military Construction-Veterans Affairs, and have done the same with Defense and the CR. Each of the latter measures could be considered in the House on its own. By linking them, the Democratic Leadership is testing whether the President will veto illegitimate emergency spending in the CR (see below) when funding for national security also is at stake. It is another tactic in the Majority's overall effort to force higher domestic spending for 2008.
- ***Siphons \$3.5 Billion From Defense.*** The bill provides \$459.3 billion for defense discretionary spending, \$3.5 billion less than the President's request. The Democrats have shifted this \$3.5 billion to non-defense programs, as part of a \$26-billion increase over the President in domestic spending.

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- ***Contains Two Dozen ‘Airdropped’ Earmarks.*** The Defense Appropriations portion of the conference report contains 24 *new* earmarks, totaling \$59 million, that were “airdropped” in conference. These airdrops have never been subject to challenge on either the House or Senate floor, and cannot be challenged under House procedures for consideration of the conference report.
  
  - ***Contains Phony Emergency Spending.*** The CR language generally funds agencies at a rate that, when annualized, maintains their fiscal year 2007 levels. The exception is Veterans Affairs, which is funded at the higher level requested in the President’s 2008 budget. But the CR also tacks on \$6.4 billion in “emergency-designated” domestic spending, the majority of which could be funded in regular appropriations measures. The emergency designation frees these items from budgetary limits, and thereby creates room for even more domestic spending. Among the questionable non-war emergency spending items are the following:
    - A sum of \$3.0 billion for the Housing and Urban Development Community Development Fund account, which is normally funded in the Transportation and Housing and Urban Development [THUD] Appropriations bill. The Transportation Subcommittee is scheduled to conference its regular fiscal year 2008 bill on Thursday.
  
    - A total of \$2.9 billion for the Federal Emergency Management Agency [FEMA] Disaster Relief Fund, normally funded in the Homeland Security appropriations bill. The House passed a fiscal year 2008 Homeland Security bill more than 140 days ago, and the Senate passed its own version more than 100 days ago. Even after all this time, the Majority has yet to begin a conference on the bill, but is including this FEMA funding as an emergency in the CR.
  
  - ***Excludes Iraq/Afghanistan Funding.*** In his fiscal year 2008 budget, the President sent Congress a full-year request for operations in Iraq and Afghanistan. The Majority has, however, separated these funds from the Defense Appropriations bill, and will instead offer only a short-term installment for the troops in a freestanding measure. The separate bill also will contain policy language attempting to restrict the President’s prerogatives as Commander in Chief. Furthermore, enactment of this combined Defense Appropriations/CR bill would supplant the current CR, cutting off the bridge funding contained in that measure.